

Rule 3021-1

DISPOSITION OF UNCLAIMED OR UNDISTRIBUTABLE FUNDS IN A CHAPTER 11 LIQUIDATING PLAN

(a) ***Disposition of Unclaimed Funds or Undistributable Funds under a Chapter 11 Liquidating Plan.*** A Chapter 11 liquidating plan shall provide for the disposition of unclaimed funds and undistributable funds. The plan may provide that any unclaimed funds or undistributable funds be redistributed to other creditors or administrative claimants, or be donated to a not-for-profit, non-religious organization identified in the plan or disclosure statement accompanying the plan.

(b) ***Unclaimed Funds.*** Unclaimed funds are distributions to creditors left unclaimed 120 days after the final distribution under the plan.

(c) ***Undistributable Funds.*** Undistributable funds are any funds other than unclaimed funds, including, but not limited to, funds that cannot be disbursed because: (1) a creditor has affirmatively rejected a distribution; (2) the administrative costs of distribution make distribution uneconomical; or (3) all creditors, including administrative claimants, have been paid in full and there is no one that has a right to the funds.

(d) ***Failure of Liquidating Plan to Provide for Disposition of Unclaimed Funds or Undistributable Funds.*** If a Chapter 11 liquidating plan does not provide for the disposition of unclaimed funds or undistributable funds, and if there are any such funds at the time of final distribution under the plan, the disbursing agent shall file a motion, upon notice and hearing, proposing disposition of such funds, including as described in paragraph (a) of this rule.

Notes of Advisory Committee

2013

This rule permits liquidating Chapter 11 plans to provide that unclaimed and undistributable funds be redistributed to other creditors or donated to a non-profit organization. This rule is effective July 1, 2013.